

# EXHIBIT A

**HSBC - NORTH AMERICA (U.S.)  
SEVERANCE PAY PLAN**

**(Restatement Effective as of October 1, 2016)**

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**I ESTABLISHMENT OF THE PLAN**

HSBC North America Holdings Inc. (the “Company”) hereby adopts the HSBC - North America (U.S.) Severance Pay Plan (the “Plan”), restatement effective as of July 1, 2009 (the “Effective Date”), for the benefit of eligible employees of the Employer. For purposes of this Plan, “Employer” means the Company and each Related Employer or other affiliated company that with the consent of the Company participates in the Plan. For purposes of this Plan, “Related Employer” means any entity or organization which is either a member of a controlled group of corporations (as determined under Section 414(b) of the Internal Revenue Code) or a member of an affiliated service group (as determined under Section 414(m) of the Internal Revenue Code) with the Company. The following entities are an “Employer” under the Plan and will be assumed to have Company consent to participate unless specifically excluded: HSBC North America Holdings Inc. and all U.S. legal entities that are being served by the HSBC - North America payroll system.

The Plan is an unfunded welfare benefit plan for purposes of the Employee Retirement Income Security Act of 1974, as amended (hereinafter “ERISA”) and a severance pay plan within the meaning of United States Department of Labor regulations section 2510.3-2(b). The Plan supersedes any prior Employer severance plans, programs or policies covering eligible employees, both formal and informal, with respect to any terminations occurring on or after the Effective Date.

**II PURPOSE OF THE PLAN**

The purpose of the Plan is to provide an eligible employee with a lump sum severance payment in the event that his/her employment is involuntarily terminated for displacement or lack of work, rearrangement of work, or inability to properly perform the duties of his/her job, as determined in the sole discretion of his/her Employer. See Article IV below for more detailed descriptions of when severance should and should not be paid.

**III ELIGIBLE EMPLOYEES**

The Plan is applicable to each regular U.S. full-time or part-time employee of the Employer scheduled to work 20 or more hours per week. The Plan does not apply to (i) an otherwise eligible employee of the Employer who is covered by either an authorized written employment agreement containing a severance provision or an authorized written severance agreement, (ii) an otherwise eligible employee of the Employer who is covered by a collective bargaining agreement unless such collective bargaining agreement

provides for his/her coverage under the Plan, (iii) an employee of the Employer who is classified as “temporary.”

#### **IV CONDITIONS OF INELIGIBILITY**

Although the Plan Administrator has discretion to decide otherwise, an employee shall not be eligible for severance pay under the Plan if:

- (a) an eligible employee ceases to be an eligible employee as defined in the Plan;
- (b) the eligible employee’s employment with the Employer terminates due to:
  - (i) misconduct (“CON”) such as insubordination, unwillingness to conform to corporation procedures or dishonesty, (ii) excessive absenteeism or tardiness (“ATT”), or (iii) unwillingness/intentional failure to perform, as determined in the sole discretion of the Employer;
- (c) the eligible employee’s employment with the Employer terminates through voluntary retirement or resignation (“PER”) or (“RES”), or failure to report to work (“JOB”), (“NVJ”), or (“LVE”);
- (d) the eligible employee is entitled to a benefit from a disability benefit plan provided by the Employer;
- (e) employment with the Employer is involuntarily terminated after the eligible employee refuses a position at the same or other reasonable location of an Employer provided such position (i) pays substantially equivalent total compensation, and (ii) is reasonably fitted for the employee based on factors including but not limited to training, education, and experience. A position is not reasonably fitted for the employee if it requires special certification, training, testing or licensure (beyond basic administrative requirements such as the filing of an application) which the employee does not have, and is unwilling or unable to complete;
- (f) the eligible employee remains on an authorized leave of absence, provided, however, that an eligible employee who returns from an authorized family and/or medical leave of absence and who within a reasonable period of time cannot be placed in employment with an Employer shall be eligible for severance pay under the Plan;
- (g) the eligible employee is employed in an Employer operation or facility which is sold, leased or otherwise transferred (“SAL”). In each such situation, a severance arrangement, if any, may be provided in the sole discretion of the Plan Administrator;

- (h) the Employer has set a termination date and the eligible employee leaves employment with the Employer prior to such date;
- (i) the eligible employee's employment with the Employer is terminated under the terms of a group reorganization/restructuring benefit plan or program sponsored by the Employer; or
- (j) the Plan is terminated.

Notwithstanding the foregoing paragraph (b), an employee whose position was (i) eliminated in the fourth quarter of 2008 due to the branch network reorganization of HSBC Bank USA, N.A. and (ii) who was offered the opportunity to become a business relationship banker upon completion of required licensure shall be eligible for severance if they are terminated during 2009 for inability to perform up to standards ("UNS") due to their inability to obtain all required licenses for the business relationship banker position.

Employees initially considered eligible under Article III and IV of this Plan will be deemed ineligible if the Employer finds that during the time of employment the Employee engaged in any activities that would have led to termination for cause.

Employees who do not sign a release of any claim upon separation will not be eligible for benefits under the Plan. In addition, an employee who revokes the release during the revocation period will not be eligible for benefits.

If dismissal is due to: refusal of bond or unsatisfactory post-employment check ("USB") or mutual consent ("MUT"), the circumstances surrounding the dismissal should be reviewed and management's discretion should be applied.

Severance should be paid if dismissal is due to lack of work ("RED").

Employees hired in connection with an acquisition who are terminated during or immediately after a transition period ("TAQ") may, in the Plan Administrator's discretion, be offered no severance or a different amount than that outlined in Article V below.

## **V AMOUNT OF SEVERANCE PAY**

Severance pay will be paid to dismissed employees at the option of the Employer.

In those instances where the Employer elects to pay severance, the Employer will provide two weeks of severance pay per year of service across all Global Career Bands (GCBs) up to a maximum 52 weeks. The minimums will be determined by GCB tier as shown in the chart below:

<b>GCB</b>	<b>Severance Benefit</b>
<b>0-3</b>	The greater of 2 weeks per year of service* or 16 weeks of pay
<b>4-6</b>	The greater of 2 weeks per year of service* or 8 weeks of pay
<b>7-8</b>	The greater of 2 weeks per year of service* or 4 weeks of pay

\*Year of service based on most recent hire date with Employer and each Related Employer or other affiliated company regardless of whether the Related Employer or other affiliated company participates in the Plan.

For full-time employees, one week's pay is equal to bi-weekly base (before any compensation is deferred) divided by two. For part-time employees, a week's pay equals the average of the last 12 weeks of part-time pay. Shift differential, incentive pay, language differential and overtime is not included in the payment of severance. An eligible employee's "years of service" for all purposes of the Plan shall be determined from the eligible employee's most recent date of hire in accordance with the Employer's personnel records. Only completed years of service are counted.

To the extent that any federal, state or local law, including, without limitation, so called "plant closing" laws, such as the Worker Adjustment and Restraining Notification Act, requires, or required, the provision of advance notice, or the making of a payment of any kind to an eligible employee because of that employee's involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change of control, or any other similar event or reason, the benefits provided under this Plan shall either be reduced or eliminated to offset for such required payments made for periods for which no services were provided by the employee. The benefits provided under this Plan are intended to satisfy and exceed any and all statutory obligations that may arise out of an eligible employee's involuntary termination for the foregoing reasons and the Plan Administrator shall so construe and implement the terms of the Plan.

To the extent that an employee owes an Employer a debt, including, but not limited to, overpayments, loans other than loans granted in the ordinary course of the business of the Employer, relocation costs, and travel advances, the debt may be deducted from the benefits provided under this Plan.

Senior Management Committee members who became members before July 1, 2004, will receive two times the normal credited service for time served on the Senior Management Committee. HSBC Finance Corporation (legacy Household) Senior Management Committee members are not eligible for the additional credited service.

If payments under this Plan, including any Company paid COBRA payments, for an individual employee will not be completed within 2-1/2 months of the end of the calendar year in which the employee has a separation from service then to the extent that such payments would exceed two times the lesser of (1) the sum of the employee's annual

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compensation for the calendar year preceding the calendar year in which the employee terminates service, or (2) the limit on annual compensation that may be taken into account for that year for qualified plan purposes under Section 401(a)(17) of the Internal Revenue Code, then such portion of the payments will not be made under this Plan but will instead be made under the HSBC — North America (U.S.) Supplemental Severance Pay Plan. A separation from service occurs when an employee is terminated from employment. A leave of absence, whether paid as salary continuation or unpaid, extending beyond 6 months will also be treated as a separation from service after such 6 month period has been reached.

"Separation from service" means that an employee ceases to be employed by the Company and any Affiliates for any reason, voluntary or involuntary, other than by reason of death or an approved leave of absence. Whether a separation from service has occurred shall be determined in accordance with Treasury Regulation § 1.409A-1(h)(1), defining "separation from service."

For employees paid solely on a commission basis, weekly pay will be defined as the greater of: (a) bi-weekly draw divided by two; or (b) 50% of the employee's preceding 12 months total cash compensation (including draw and commission) divided by 52. For employees with less than 12 months of service in a sales position, the annual figure will be derived based on the number of months in the role. With respect to eligible employees who are covered by a collective bargaining agreement which (i) provides for coverage under this Plan and (ii) specifies a schedule of benefits, severance pay and benefits will be calculated in accordance with the terms of such agreement, including any amendments or closing agreements. When an employee accepts a new position at an Employer immediately following the occurrence of a severance-eligible event affecting the employee's prior position, severance pay with respect to any severance-eligible event affecting the new position and occurring within one-year of the employee's start of the new position will be determined using the Global Career Band for the prior position, if doing so results in greater severance pay under this Plan.

## **VI PAYMENT OF SEVERANCE PAY**

Severance pay will be paid out in a lump sum. Tax Reduction Investment Plan ("TRIP") contributions are not deducted from lump sum severance payments, and the payment is not counted toward Retirement Income Plan ("RIP") calculations. All legally required taxes shall be deducted from Plan severance pay payments.

## **VII PLAN ADMINISTRATION**

The HSBC - North America (U.S.) Plan Administrative Committee serves as the "Plan Administrator" of the Plan and the "named fiduciary" within the meaning of such terms as defined in ERISA. The Plan Administrator shall have the discretionary authority to determine the eligibility for Plan benefits and to construe the terms of the Plan, including the making of actual determinations. The decisions of the Plan Administrator shall be final and conclusive with respect to all questions concerning the administration

of the Plan. The Plan Administrator may delegate to other persons responsibilities for performing certain of the duties of the Plan Administrator under the terms of the Plan including day to day administration. Decisions concerning severance pay will be made by at least one level of management and with the concurrence of the business unit Human Resources executive. Any and all claims for benefits under the Plan must be filed with the Plan Administrator within 180 days of the claimant's termination of employment and any legal action brought after the exhaustion of administrative remedies under the Plan must be commenced within 180 days of the Plan Administrator's decision on review. A claimant's failure to follow these timeframes and the claims procedure as more fully specified by the Plan Administrator will result in the loss of any entitlement to benefits under this Plan and of the right to bring an action in federal court under Section 502(a) of ERISA, regardless of whether all comments, documents, records, or other information relating to the claim were submitted or considered by the Plan Administrator.

The Plan Administrator shall establish and maintain an ERISA compliant claims procedure. In no event shall an eligible employee or any other person be entitled to challenge a decision of the Plan Administrator in court or in any other administrative proceeding unless and until the claim and appeals procedures established under the Plan have been complied with and exhausted. Any claim brought after the exhaustion of administrative remedies under the Plan must be commenced within 180 days after the Plan Administrator's decision or review.

## **VII AMENDMENT/TERMINATION/VESTING**

Eligible employees do not have any vested right to severance pay under the Plan and the Company reserves the right in its sole discretion to amend or terminate the Plan in writing at any time.

## **IX NO ASSIGNMENT**

Severance pay payable under the Plan shall not be subject to anticipation, alienation, pledge, sale, transfer, assignment, garnishment, attachment, execution, encumbrance, levy, lien, or charge and any attempt to cause such severance pay to be so subjected shall not be recognized, except to the extent required by law.

## **X RECOVERY OF PAYMENTS MADE BY MISTAKE**

An eligible employee shall be required to return to the Employer any severance pay payment, or portion thereof, made by a mistake of fact or law.

## **XI REPRESENTATIONS CONTRARY TO THE PLAN**

No employee, officer, or director of the Employer has the authority to alter, vary, or modify the terms of the Plan except by means of an authorized written amendment to the Plan. No verbal or written representations contrary to the terms of the Plan and its written amendments shall be binding upon the Plan, the Plan Administrator, or the Employer.

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## **XII NO EMPLOYMENT RIGHTS**

The Plan shall not confer employment rights upon any person. No person shall be entitled, by virtue of the Plan, to remain in the employ of the Employer and nothing in the Plan shall restrict the right of the Employer to terminate the employment of any eligible employee at any time.

## **XII PLAN FUNDING**

No eligible employee shall acquire by reason of the Plan any right in or title to any assets, funds, or property of the Employer. Any severance pay benefits which become payable under the Plan are unfunded obligations of the Employer and shall be paid from the general assets of the Employer. No employee, officer, director or agent of the Employer guarantees in any manner the payment of Plan severance pay benefits.

## **XIV EMPLOYER PROPERTY**

All Employer property (i.e., keys, credit cards, documents and records, identification cards, equipment, beepers, etc.) must be returned by an eligible employee in order for such eligible employee to commence receiving severance pay under the Plan.

## **XV APPLICABLE LAW**

The Plan shall be governed and construed in accordance with ERISA and in the event that any reference shall be made to State law, the laws of the State of Illinois shall apply without regard to its conflict of laws provisions.

## **XVI SEVERABILITY**

If any provision of the plan is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, the remainder of the Plan shall continue in full force and effect.

## **XVII PLAN YEAR**

The ERISA plan year of the Plan shall be the twelve month period commencing on January 1 of each year.

## **XIX EMPLOYEES WHO TERMINATE IN 2013 WHO RECEIVED NOTICE IN 2012**

An employee whose employment is involuntarily terminated in 2013, who received notice of such termination in 2012, and who is otherwise eligible for severance pay under the Plan shall receive the greater of (i) severance pay determined under Article V as amended effective January 1, 2013, or (ii) severance pay determined under Article V as in effect on

December 31, 2012, as well as Company paid COBRA continuation coverage to the extent provided under Article VI as in effect on December 31, 2012.

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